

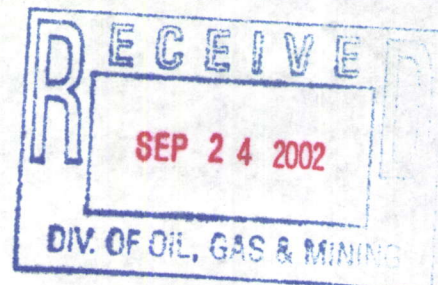
This Section for DOGM Use:

Assigned DOGM File No.: S 102710100

DOGM Lead: JM

Permit Fee \$ 1500 Ck # 2286

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940



NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: SNOWFLAKE
2. Name of Operator/Applicant: BASIN PERLITE COMPANY
Company () Corporation ☒ Partnership () Individual ()
3. Permanent Address: BOX 490 533 S INDUSTRIAL LOOP ROAD
City: MILFORD State: UT Zip Code: 84751
Telephone Number: (435) 387-2100 Fax: (435) 387-2403
4. Ownership of Land Surface:
Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe):

Name <u>N/A</u>	Address _____
Name _____	Address _____
Name _____	Address _____
Name _____	Address _____

5. Ownership of Minerals:Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐State Trust Land/School Sections ☐ State Sovereign Lands ☐Other (please describe): N/A

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

Utah Mining Claim Number(s): SNOWFLAKE 1-38 lode claims.UMC367791 - UMC 367828Utah State Lease Number(s): N/AName of Lessee(s) N/A

6. Have the above surface and mineral owners been notified in writing?

Yes _____ No XIf no, why not? Basin Perlite Company has done no exploration work
or mining to date, surface and minerals owned by BLM

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

7. Does the operator have legal right to enter and conduct mining operations on the land covered by this notice? Yes X No _____II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. Project Location (legal description):

County(ies): MILLARDSE of NW 1/4, of NW 1/4, of NE 1/4: Section: 26 Township: 235 Range: 9WSW of NE 1/4, of NW 1/4, of NE 1/4: Section: 26 Township: 235 Range: 9WNE of SW 1/4, of NW 1/4, of NE 1/4: Section: 26 Township: 235 Range: 9WNW of SE 1/4, of NW 1/4, of NE 1/4: Section: 26 Township: 235 Range: 9W

UTM East _____ (if known) UTM North _____ (If known)

Name of Quad Map for Location Cruz 7.5 minute (1:24,000 scale)

2. A topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for. This proposed mine site includes a site of prior disturbance covered by BLM NOI UTU 070718.

3. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) **must** be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. OPERATION PLAN (Rule R647-3-106)

1. Type of mining: Surface ☒ Underground ☐
2. Mineral(s) to be mined: Perlite
3. Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?
Yes ☐ No ☒ If yes, please describe (add extra pages if needed) _____

4. Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). Brush will be cleared & grubbed from the mine area (partly done by prior operator) and a 12 inch layer of soil (rubble) perlite will be salvaged and stockpiled for reclamation. A thick (5-6 foot) perlite caliche zone will be ripped and bulldozed into a waste disposal site or used as back fill (cont)
5. ☐ New Road(s): Length N/A (ft) Width _____ (ft)
6. ☐ Improved Road(s): Length 2000 (ft) Width 25 (ft) (Incl. cut & side cast)
7. Total project surface acreage to be disturbed: 5 (acres)
8. Proposed startup date of project (month, year) NOVEMBER 2002
9. Proposed completion date of project, if known (month, year) N/A

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*

6. Remove all waste or debris from stream channels.
7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
8. Conduct mining activities so as to minimize erosion and control sediment.
9. Reclaim all roads that are not part of a permanent transportation system.
10. Stockpile topsoil and suitable overburden prior to mining.
11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
12. Properly prepare seedbed to a depth of six inches by ripping, discing, or harrowing. Leave the surface rough.
13. Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
14. Plant the seed with a rangeland or farm drill, or if broadcast seeded, harrow or rake the seed 1/4-1/2 inch into the soil - fall is the preferred time to seed.

V. VARIANCE REQUEST (Rule R647-3-110)

Yes ☒ No ☐

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

<u>Item Number</u>	<u>Variance Request Justification</u>
R647-3-109	70% vegetation cover of surrounding areas. Part of the area is (cont.)

VI. PERMIT FEE [Mined Land Reclamation Act 40-8-7(I)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7 (I)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), and revised July 1, 2002, permit fees are assessed to new and existing notices of intention and annually thereafter, until the project disturbances are successfully reclaimed by the operator and released by the Division.

Small Mining Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

VII. SIGNATURE REQUIREMENT

I hereby commit to conduct mining operations and to reclaim the aforementioned small mine as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

Signature of Operator/Applicant:

William R. Wilson

Name (typed or printed):

William R. Wilson

Title/Position (if applicable):

President - Basin Perlite Company

Date:

9/24/02

OPERATION PLAN (R647-3-106)

Section 4 - Continued

for the mined out areas of the pit. Perlite ore will be ripped and stockpiled for crushing. A dozer will be used and no highwalls would be made. Erosion control & sediment control measures will be implemented on site. Mining will progress in phases along with concurrent reclamation of older mine land disturbances

Primary crushing of the ore to minus 1 inch size is done on site. Ore would be loaded in trucks and hauled to the Basin Perlite mill in Milford for further crushing, sizing and processing. Trucks would use existing unimproved roads about 2000 feet to travel county road and state highways to the mill.

No water will be used in the mining and crushing process. Perlite contains no harmful chemicals or elements and is in fact used as a soil conditioner to enhance plant growth.

VARIANCE REQUEST (R647-3-110)

Section 5 - Continued

already disturbed, also part of the area is underlain by shallow bedrock, including "sandy" pumice.

LEGAL DESCRIPTION OF 5 ACRE SMALL MINE PERMIT AREA

SOUTH HALF	SE NW NW NE
SOUTH HALF	SW NE NW NE
NORTH HALF	NE SW NW NE
NORTH HALF	NW SE NW NE

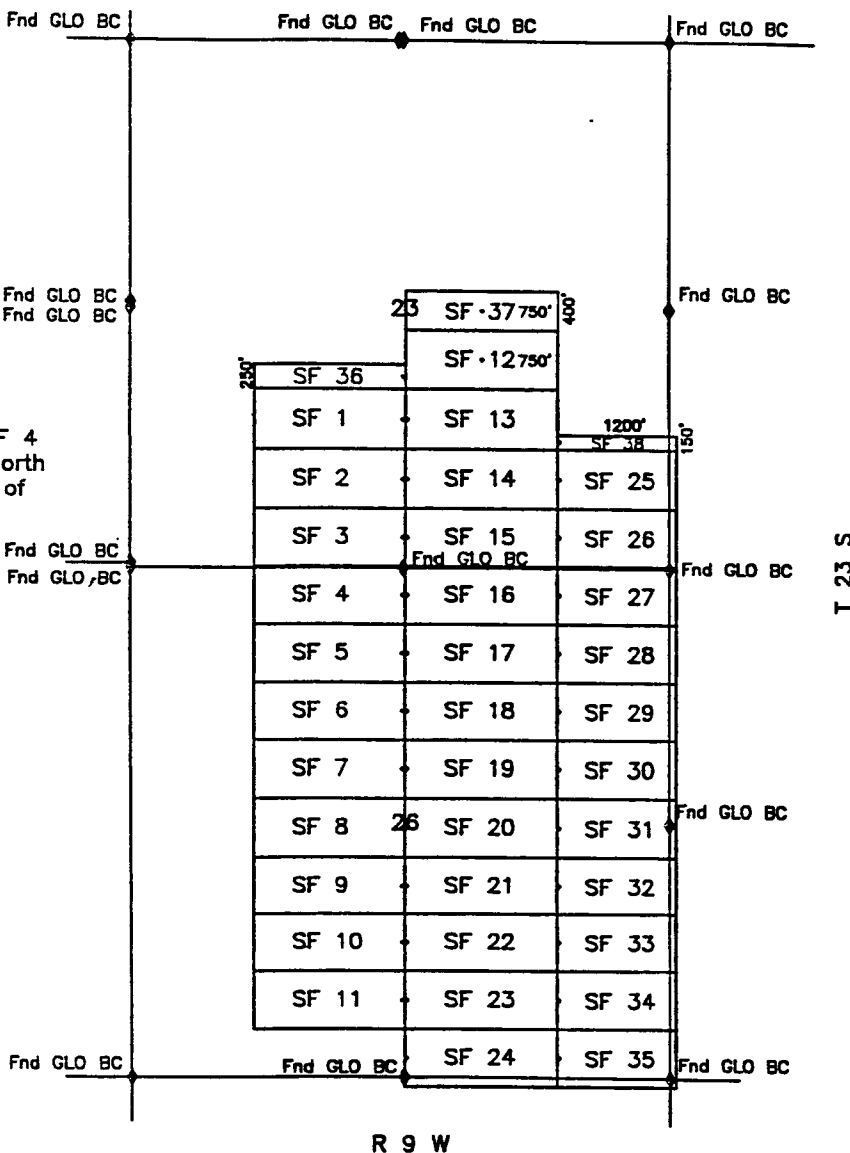
ALL IN SECTION 26 OF T23S - R9W SLBM - 5 ACRES MORE OR LESS

Note:
The NW Corner of SF 4
is located 16 feet North
and 1254 feet East of
the NW Corner of
Section 26 T23S,
R9W, SLB&M.

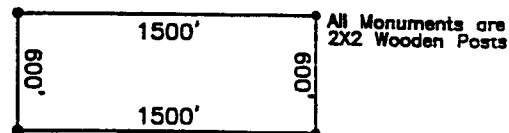
NOTE: ALL CLAIMS ARE TIED
TO THE NW CORNER
OF SECTION 26 T23S R9W
SLB&M

Claim Location Dates:

July 2, 2001 - SF 1-4,13-16
July 3, 2001 - SF 5-11,17-35
July 4, 2001 - SF 12,36-38



Typical Claim



Note: Location Monuments are
located 20' from end lines
unless otherwise noted.

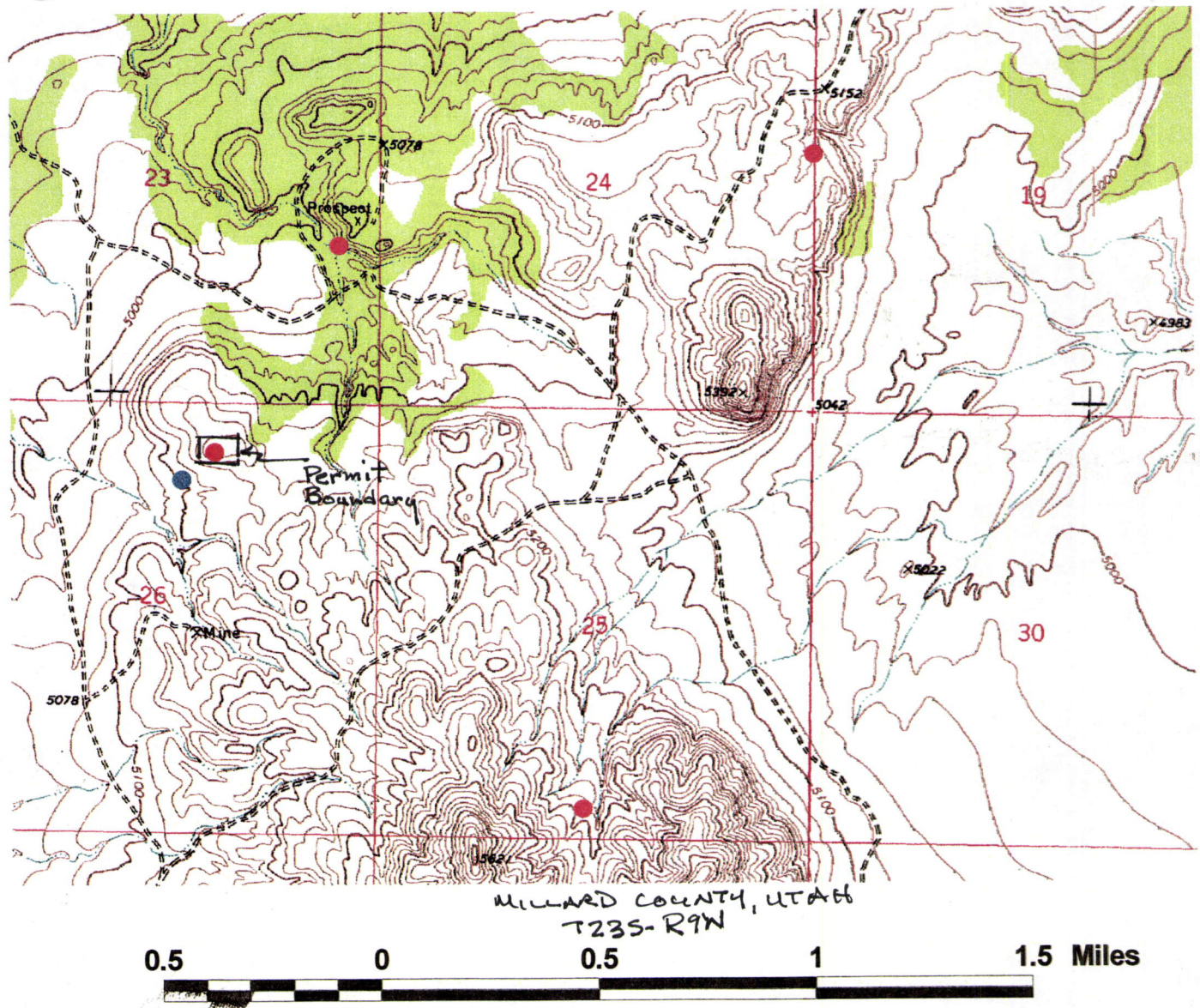
BASIN PERLITE COMPANY
MINERAL OWNERSHIP
SNOWFLAKE MINE
SEPT, 2002
EXHIBIT A



2000
SCALE

NORTH AMERICAN EXPLORATION	
BASIN PERLITE COMPANY PEARL QUEEN PERLITE CORPORATION	
SNOWFLAKE CLAIMS SEC. 23 & 26 T 23 S, R 9 W, S.L.B.&M. MILLARD COUNTY, UTAH	
Drawn By: RBL	Date: July 2001
AutoCad 14 Drawing File: SFBLM.dwg	
Survey & Map by: LYMAN EXPLORATION & SURVEYING OUTFIT 612 West 1635 North, Suite 101, Clinton, UT 84015 (801) 540-0317 Fax: (801) 825-3969	
For: NORTH AMERICAN EXPLORATION, INC. 472 North Main, Kayville, UT 84037 (801) 544-3421	

Areas of Disturbance Covered by UTU 070718 and UTU 070722



- Area of Disturbance UTU 070722
- Areas of Disturbance UTU 070718

SEPTEMBER, 2002

BASIN PERMITE COMPANY

SNOWFLAKE MINE



EXHIBIT B